



# Manistee County Board of Commissioners

Manistee County Courthouse • 415 Third Street • Manistee, Michigan 49660

## CLERK

Marilyn Kliber

(231) 723-3331

## CONTROLLER/ADMINISTRATOR

Thomas Kaminski

(231) 398-3500

## WAYS & MEANS COMMITTEE

Tuesday, January 13, 2009  
8:30 A.M.

Manistee County Courthouse & Government Center  
Board of Commissioners Meeting Room

### AGENDA

- 1) 8:30 A.M. - Finance Report - Jeri Lyn Prielipp, Financial Assistant
- 2) Review and consideration of recommending payment of the following FY 2008/09 appropriations and miscellaneous invoices:

#### Miscellaneous Appropriations:

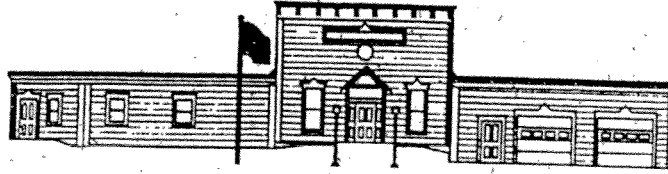
- A) None.

#### Invoices:

- A) Consideration of an invoice dated November 19, 2008 from the Charter Township of Filer in the amount of \$5,284.14 for legal fees in the TES Filer City Station tax appeal. It is recommended that payment be made from the county's legal defense fund #259. The current balance in the legal defense fund is \$151,340.77. To date, \$25,322.24 has been paid from the legal defense fund for legal fees. (APPENDIX A)
- 3) Review of the annual renewal of the county's property and liability insurance, which is purchased through the Michigan Municipal Risk Management Authority. (APPENDIX B)
- 4) 9:00 A.M. - James Smogoleski, Youth Services Director, will appear before the Committee to report on the foster care program and also update the Committee and new members on the county's child care fund.
- 5) 9:15 A.M. - Review and consideration of financing alternatives to purchase a Life Safety Security System and Generator for the jail. Plans for purchasing this system have been discussed in the Public Safety Committee for approximately 9 months. (APPENDIX C)
- 6) Schedule 2009 meeting dates and times.
- 7) 9:45 A.M. - Renee Ihlenfeldt, Director of the Alliance for Economic Success, will appear before the Committee to present a request that the county submit a Maritime Corridor request to the federal government.
- 8) Other Items from Committee Members.
- 9) Adjournment.

(APPENDIX A-1)

## CHARTER TOWNSHIP OF FILER



RECEIVED  
NOV 20 2008

James Espvik, Supervisor  
Shirley Ball, Clerk  
Melissa Bauman, Treasurer

Dale Kolanowski, Trustee  
Dean Kruse, Trustee  
Larry Linke, Trustee  
Edward Williams, Trustee

Kevin Skipski, Constable

2505 Filer City Road • Manistee, MI 49660 • 231-723-3138 • Fax 231-723-3191

November 19, 2008

Please send your "Total Due Filer Twp." to the above address upon receipt of this billing.

### Breakdown of the T.E.S. Litigation Billing

Current  
Billing

Agency	Percentage Paying	November 08	Total Due Filer Twp.
Manistee County	32.75%	5,284.14	5,284.14
Manistee County Library	6.05%	976.14	976.14
Manistee County Medical Care Facility	3.03%	488.88	488.88
9-1-1 Central Dispatch	6.05%	976.15	976.15
Manistee County Transportation	2.00%	322.70	322.70
Manistee County Council on Aging	1.81%	292.40	292.40
Manistee Area Public Schools	3.00%	484.04	484.04
Manistee Intermediate School District	13.68%	2,207.24	2,207.24
West Shore Community College	13.85%	2,234.67	2,234.67
Filer Township	17.78%	2,868.77	2,868.77
		\$16,134.78	\$16,134.78

# Lewis Reed & Allen P.C.

## STATEMENT

136 East Michigan Avenue, Suite 800  
Kalamazoo, Michigan 49007-3975  
Telephone: 269-388-7600  
Federal ID# 45-0492032

October 25, 2008

Invoice# 24604 RDR

Our file# 8596 00003

Billing through 10/25/2008

A-2

Township of Filer  
2505 Filer City Road  
Manistee, MI 49660

Re: TES Filer Tax Appeal 1997-07

### PROFESSIONAL SERVICES

09/29/2008	RDR	Conference with attorney Rhoades.	0.50 hrs.	125.00
10/07/2008	RDR	Telephone conference with Jim Espvik and forward agreement for signature.	0.25 hrs.	62.50
10/10/2008	RDR	Receipt and review of documents. Telephone conference with Robert Rhoades. Letter to Mr. Rhoades forwarding documents for filing with Tribunal.	0.50 hrs.	125.00
				<u>\$312.50</u>

### EXPENSES

10/25/2008	Copies, Postage, Telephone Expense:	3.44
10/25/2008	Federal Express:	48.70
		<u>\$52.14</u>

### Billing Summary

Total professional services	\$312.50
Total expenses incurred	\$52.14
Total of new charges for this invoice	<u>\$364.64</u>
Plus net balance forward	\$0.00
<b>Total balance now due</b>	<b><u>\$364.64</u></b>

PAID

A-3



George E. Sansoucy, PE, LLC  
Engineers & Appraisers

Lewis Reed & Allen  
Attn: Richard Reed  
Lewis Reed & Allen  
136 East Michigan Ave., Suite  
Kalamazoo, MI 49007  
RE: Filer City, MI ETAL

INVOICE NO: 0013839-IN  
DATE: 10/21/08

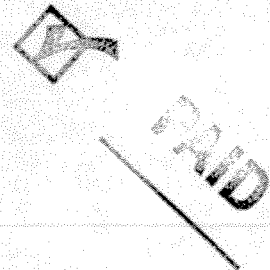
PAGE NO: 1

FOR PROFESSIONAL SERVICES RENDERED THROUGH SEPTEMBER 30, 2008  
PROGRESS BILLING

Performed By	Description	Hours	Amount
Data Entry	SEE ATTACHED	.75	\$93.75
G. Walker	SEE ATTACHED	8.00	\$1,800.00

TOTAL LABOR: \$1,893.75

TOTAL INVOICE: \$1,893.75



George E. Sansoucy, PE, LLC

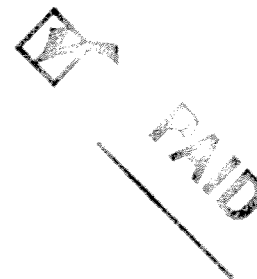
32 Nimble Hill Rd., Newington, NH 03801 Tel 603.431.7636 Fax 603.431.7115 mail@sansoucy.com  
279 Main Street, Lancaster, NH 03584 Tel 603.788.4000 Fax 603.788.2798 sansoucy@verizon.net

Remittance Address 89 Reed Rd., Lancaster, NH 03584

## DETAIL WORK IN PROCESS REPORT

SORTED BY CLIENT CODE - DETAIL BY CATEGORY

EG	W.C.	DESCRIPTION	DATE	EMPLY NAME	B T T X COMMENT	HOURS	RATE	AMOUNT
CLIENT CODE:		LEWIS R	Lewis Reed & Allen		STANDARD			
JOB CODE:		2121	Filer City, MI ETAL					
LAB	DAT	Data Entry	09/11/08	LABD DATA ENTRY #7	B NT Edit spreadsheets	0.75	125.000	93.75
LAB	GCW	G. Walker	09/11/08	WALG WALKER G.	B NT TES Settlement document review. Call with Joe Tondou and Dick Reed.	3.50	225.000	787.50
LAB	GCW	G. Walker	09/15/08	WALG WALKER G.	B NT Call with Joe Tondou.	1.00	225.000	225.00
LAB	GCW	G. Walker	09/17/08	WALG WALKER G.	B NT Filer review with Dick Reed.	1.00	225.000	225.00
LAB	GCW	G. Walker	09/18/08	WALG WALKER G.	B NT Working on Filer Agreement. Filer City Settlement review.	2.50	225.000	562.50
CATEGORY LAB LABOR-BILLABLE TOTALS:						8.75		1893.75
JOB 2121 FEE TOTALS:						8.75		1893.75
CLIENT LEWIS R TOTALS:						8.75		1893.75
REPORT TOTALS:						8.75		1893.75



# Lewis Reed & Allen P.C.

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## STATEMENT

136 East Michigan Avenue, Suite 800  
Kalamazoo, Michigan 49007-3975  
Telephone: 269-388-7600  
Federal ID# 45-0492032


September 26, 2008

Invoice# 24089 RDR

Our file# 8596 00003

Billing through 09/26/2008

Township of Filer  
2505 Filer City Road  
Manistee, MI 49660

 **PAID**

Re: TES Filer Tax Appeal 1997-07

### PROFESSIONAL SERVICES

08/26/2008	RDR	Work on drafting settlement agreement and Tribunal stipulated order with Glen Walker. Forward documents to Supervisor Espvik and Petitioner.	6.00 hrs.	1,500.00
09/02/2008	RDR	Telephone conference with Supervisor Espvik and work on edit of proposed settlement agreement.	0.75 hrs.	187.50
09/02/2008	RDR	Telephone conference with Glenn Walker. Telephone conference with Petitioner's attorney Robert Rhoades.	1.00 hrs.	250.00
09/09/2008	RDR	Settlement conference with Robert Rhoades.	3.50 hrs.	875.00
09/10/2008	RDR	Conference with Supervisor. Work on re-draft of settlement agreement.	2.00 hrs.	500.00
09/11/2008	RDR	Complete draft and editing of the proposed settlement agreement. Telephone conferences with Glen Walker. Review document with Supervisor Espvik.	4.50 hrs.	1,125.00
09/17/2008	RDR	Conference with Jim Espvik. Several conferences with Glen Walker. Work on editing and proof reading calculations.	2.50 hrs.	625.00
09/18/2008	RDR	Conference with Glen Walker. Make final changes to settlement agreement and forward to all parties.	2.00 hrs.	500.00
09/25/2008	RDR	Prepare for and attend meeting with steering committee and special meeting of the Filer Township Board regarding settlement stipulation.	5.00 hrs.	1,250.00

8596

Filer, Township of

Invoice# 24089

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\$6,812.50EXPENSES

09/26/2008 Copies, Postage, Telephone Expense:

74.94

09/26/2008 Mileage:

70.20

\$145.14Billing Summary

Total professional services

\$6,812.50

Total expenses incurred

\$145.14

Total of new charges for this invoice

\$6,957.64

Plus net balance forward

\$0.00

**Total balance now due****\$6,957.64**

PAID

PLEASE INCLUDE FILE NUMBER ON YOUR REMITTANCE  
WE ACCEPT VISA AND MASTERCARD  
PAYMENT DUE UPON RECEIPT

# Lewis Reed & Allen P.C.

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## STATEMENT

136 East Michigan Avenue, Suite 800  
Kalamazoo, Michigan 49007-3975  
Telephone: 269-388-7600  
Federal ID# 45-0492032

August 25, 2008

Invoice# 23800 RDR

Our file# 8596 00003

Billing through 08/25/2008

Township of Filer  
2505 Filer City Road  
Manistee, MI 49660

Re: TES Filer Tax Appeal 1997-07

### PROFESSIONAL SERVICES

08/12/2008	RDR	Review proposed settlement stipulation. Telephone conference with attorney Rhodes. Telephone conference with supervisor. Telephone conference with Glenn Walker. Study settlement documents and completed calculations.	4.75 hrs.	1,187.50
08/18/2008	RDR	Telephone conference with Glenn Walker. Work on computations for settlement stipulation.	2.00 hrs.	500.00
08/21/2008	RDR	Work on settlement calculations. Work on settlement document review and phone conferences with Glenn Walker.	2.50 hrs.	625.00
08/25/2008	RDR	Work on studying calculation. Conferences with Glenn Walker. Begin redrafting settlement agreement and Tribunal settlement stipulation.	5.00 hrs.	1,250.00

\$3,562.50

### Billing Summary

Total professional services	\$3,562.50
Total expenses incurred	\$0.00
Total of new charges for this invoice	<u>\$3,562.50</u>
Plus net balance forward	<u>\$0.00</u>
<b>Total balance now due</b>	<b><u>\$3,562.50</u></b>



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A-8



George E. Sansoucy, PE, LLC

Engineers & Architects

Lewis Reed & Allen  
Attn: Richard Reed  
Lewis Reed & Allen  
136 East Michigan Ave., Suite  
Kalamazoo, MI 49007  
RE: Filer City, MI ETAL

INVOICE NO: 0013777-IN  
DATE: 09/17/08

PAGE NO: 1

FOR PROFESSIONAL SERVICES RENDERED THROUGH AUGUST 31, 2008  
PROGRESS BILLING

Performed By	Description	Hours	Amount
	SEE ATTACHED	.75	\$93.75
Data Entry	SEE ATTACHED	8.50	\$1,912.50
G. Walker			

TOTAL LABOR: \$2,006.25

TOTAL INVOICE: \$2,006.25

PAID

George E. Sansoucy, PE, LLC

32 Nimble Hill Rd., Newington, NH 03801 Tel 603.431.7636 Fax 603.431.7115 mail@sansoucy.com

Remittance Address 89 Reed Rd., Lancaster, NH 03584

## \*DETAIL WORK IN PROCESS REPORT

SORTED BY CLIENT CODE - DETAIL BY CATEGORY

A-9

REG	W.C.	DESCRIPTION	DATE	EMPLY NAME	B T T X COMMENT	HOURS	RATE	AMOUNT
CLIENT CODE:		LEWIS R	Lewis Reed & Allen					
JOB CODE:		2121	Filer City, MI ETAL		STANDARD			
LAB	DAT	Data Entry	08/25/08	LABD DATA ENTRY #7	B NT Create tables.	0.75	125.000	93.75
LAB	GCW	G. Walker	08/14/08	WALG WALKER G.	B NT Filer model review.	1.50	225.000	337.50
LAB	GCW	G. Walker	08/16/08	WALG WALKER G.	B NT Filer City model review.	1.00	225.000	225.00
LAB	GCW	G. Walker	08/17/08	WALG WALKER G.	B NT Filer City document review.	2.00	225.000	450.00
LAB	GCW	G. Walker	08/22/08	WALG WALKER G.	B NT Filer City write up and documents for Dick Reed.	1.00	225.000	225.00
LAB	GCW	G. Walker	08/25/08	WALG WALKER G.	B NT Reviewing Filer document.	2.00	225.000	450.00
LAB	GCW	G. Walker	08/26/08	WALG WALKER G.	B NT Reviewing Filer documents.	1.00	225.000	225.00
CATEGORY LAB LABOR-BILLABLE TOTALS:						9.25		2006.25
JOB 2121 FEE TOTALS:						9.25		2006.25
CLIENT LEWIS R TOTALS:						9.25		2006.25
REPORT TOTALS:						9.25		2006.25



PAID

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George E. Sansoucy, PE, LLC  
Engineers & Appraisers

Lewis Reed & Allen  
Attn: Richard Reed  
Lewis Reed & Allen  
136 East Michigan Ave., Suite  
Kalamazoo, MI 49007  
RE: Filer City, MI ETAL

INVOICE NO: 0013716-IN  
DATE: 08/18/08

PAGE NO: 1

FOR PROFESSIONAL SERVICES RENDERED THROUGH JULY 31, 2008  
PROGRESS BILLING

Performed By	Description	Hours	Amount
G. Walker	SEE ATTACHED	6.00	\$1,350.00

TOTAL LABOR: \$1,350.00

TOTAL INVOICE: \$1,350.00



PAID

George E. Sansoucy, PE, LLC

32 Nimble Hill Rd., Newington, NH 03801 Tel 603.431.7636 Fax 603.431.7115 mail@sansoucy.com  
179 Main Street, Lancaster, NH 03584 Tel 603.788.4000 Fax 603.788.2798 sansoucy@verizon.net  
Remittance Address 89 Reed Rd., Lancaster, NH 03584

## DETAIL WORK IN PROCESS REPORT

SORTED BY CLIENT CODE - DETAIL BY CATEGORY

A-11

CLIENT CODE	W.C.	DESCRIPTION	DATE	EMPLY NAME	B T T X COMMENT	HOURS	RATE	AMOUNT
CLIENT CODE:	LEWIS R			Lewis Reed & Allen				
JOB CODE:	2121			Filer City, MI ETAL				
					STANDARD			
LAB	GCW	G. Walker	07/01/08	WALG WALKER G.	B NT	2.50	225.000	562.50
					Preparing for and call with Filer.			
LAB	GCW	G. Walker	07/11/08	WALG WALKER G.	B NT	1.50	225.000	337.50
					Going over DCF and value.			
LAB	GCW	G. Walker	07/28/08	WALG WALKER G.	B NT	1.00	225.000	225.00
					Reviewing Filer settlement.			
LAB	GCW	G. Walker	07/30/08	WALG WALKER G.	B NT	1.00	225.000	225.00
					Filer document review and call to Joe Tondou.			
CATEGORY LAB LABOR-BILLABLE TOTALS:						6.00		1350.00
JOB 2121 FEE TOTALS:						6.00		1350.00
CLIENT LEWIS R TOTALS:						6.00		1350.00
REPORT TOTALS:						6.00		1350.00



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**MICHIGAN MUNICIPAL RISK MANAGEMENT AUTHORITY  
COVERAGE OVERVIEW**

(APPENDIX B-1)

<b>Member:</b>	<b>County of Manistee</b>	<b>Member No: 29</b>
<b>Date of Original Membership:</b>	<b>June 01, 1983</b>	
<b>Overview Dates:</b>	<b>January 01, 2009 to January 01, 2010</b>	
<b>Member Representative:</b>	<b>Thomas Kaminski</b>	<b>Telephone #: (616) 723-4575</b>
<b>Regional Risk Manager:</b>	<b>Ibex Insurance Agency</b>	<b>Telephone #: (248) 538-0470</b>

**A. Introduction**

The Michigan Municipal Risk Management Authority (hereinafter "MMRMA") is created by authority granted by the laws of the State of Michigan to provide risk financing and risk management services to eligible Michigan local governments. MMRMA is a separate legal and administrative entity as permitted by Michigan laws. **County of Manistee** (hereinafter "Member") is eligible to be a Member of MMRMA. **County of Manistee** agrees to be a Member of MMRMA and to avail itself of the benefits of membership.

**County of Manistee** is aware of and agrees that it will be bound by all of the provisions of the Joint Powers Agreement, Coverage Documents, MMRMA rules, regulations, and administrative procedures.

This Coverage Overview summarizes certain obligations of MMRMA and the Member. Except for specific coverage limits, attached addenda, and the Member's Self Insured Retention (SIR) and deductibles contained in this Coverage Overview, the provisions of the Joint Powers Agreement, Coverage Documents, reinsurance agreements, MMRMA rules, regulations, and administrative procedures shall prevail in any dispute. The Member agrees that any dispute between the Member and MMRMA will be resolved in the manner stated in the Joint Powers Agreement and MMRMA rules.

**B. Member Obligation - Deductibles and Self Insured Retentions**

**County of Manistee** is responsible to pay all costs, including damages, indemnification, and allocated loss adjustment expenses for each occurrence that is within the Member's Self Insured Retention (hereinafter the "SIR"). **County of Manistee's** SIR and deductibles are as follows:

Table I

Member Deductibles and Self Insured Retentions

COVERAGE	DEDUCTIBLE	SELF INSURED RETENTION
Liability	None	\$75,000
Vehicle Physical Damage	\$1,000 / Vehicle	\$15,000 / Vehicle \$30,000 / Occurrence
Property and Crime	\$1,000 / Occurrence	10% of the remaining up to \$100,000 of loss
Sewage System Overflow	N/A	N/A

The Member must satisfy all deductibles before any payments are made from the Member's SIR or by MMRMA.

The **County of Manistee** is afforded all coverages provided by MMRMA, except as listed below:

1. Sewage System Overflow
- 2.
- 3.
- 4.

All costs including damages and allocated loss adjustment expenses are on an occurrence basis and must be paid first from the Member's SIR. The Member's SIR and deductibles must be satisfied fully before MMRMA will be responsible for any payments. The most MMRMA will pay is the difference between the Member's SIR and the Limits of Coverage stated in the Coverage Overview.

**County of Manistee** agrees to maintain, at all times, on account with MMRMA, sufficient funds to pay its SIR obligations. The Member agrees to abide by all MMRMA rules, regulations, and administrative procedures pertaining to the Member's SIR.

### C. MMRMA Obligations - Payments and Limits of Coverage

After the Member's SIR and deductibles have been satisfied, MMRMA will be responsible for paying all remaining costs, including damages, indemnification, and allocated loss adjustment expenses to the Limits of Coverage stated in Table II. The Limits of Coverage include the Member's SIR payments.

The most MMRMA will pay, under any circumstances, which includes payments from the Member's SIR, per occurrence, is shown in the Limits of Coverage column in Table II. The Limits of Coverage includes allocated loss adjustment expenses.

**TABLE II**  
**Limits of Coverage**

B-3

Liability and Motor Vehicle Physical Damage	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Liability	15,000,000	N/A	N/A	N/A
2 Judicial Tenure	100,000	N/A	N/A	N/A
3 Sewage Systems Overflows	0	N/A	0	N/A
4 Volunteer Medical Payments	25,000	N/A	N/A	N/A
5 First Aid	2,000	N/A	N/A	N/A
6 Vehicle Physical Damage	1,500,000	N/A	N/A	N/A
7 Uninsured/Underinsured Motorist Coverage (per person)	100,000	N/A	N/A	N/A
Uninsured/Underinsured Motorist Coverage	250,000	N/A	N/A	N/A
8 Michigan No-Fault	Per Statute	N/A	N/A	N/A
9 Terrorism	5,000,000	N/A	N/A	5,000,000

Property and Crime	Limits of Coverage Per Occurrence		Annual Aggregate	
	Member	All Members	Member	All Members
1 Buildings and Personal Property	31,961,782	300,000,000	N/A	N/A
2 Personal Property in Transit	1,000,000	N/A	N/A	N/A
3 Unreported Property	5,000,000	N/A	N/A	N/A
4 Member's Newly Acquired or Constructed Property	5,000,000	N/A	N/A	N/A
5 Fine Arts	1,000,000	N/A	N/A	N/A
6 Debris Removal (25% of insured direct loss plus)	25,000	N/A	N/A	N/A
7 Money and Securities	1,000,000	N/A	N/A	N/A
8 Accounts Receivable	1,000,000	N/A	N/A	N/A
9 Fire Protection Vehicles, Emergency Vehicles, and Mobile Equipment (Per Unit)	2,000,000	10,000,000	N/A	N/A
10 Fire and Emergency Vehicle Rental (12 week limit)	1,000 per week	N/A	N/A	N/A
11 Structures Other Than a Building	5,000,000	N/A	N/A	N/A
12 Storm or Sanitary Sewer Back-Up	1,000,000	N/A	N/A	N/A
13 Marine Property	250,000	N/A	N/A	N/A
14 Other Covered Property	10,000	N/A	N/A	N/A
15 Income and Extra Expense	1,000,000	N/A	N/A	N/A
16 Blanket Employee Fidelity	1,000,000	N/A	N/A	N/A
17 Earthquake	5,000,000	N/A	5,000,000	100,000,000
18 Flood	5,000,000	N/A	5,000,000	100,000,000
19 Terrorism	50,000,000	50,000,000	N/A	N/A

**D. Contribution for MMRMA Participation**

**County of Manistee**

**Period: January 01, 2009 to January 01, 2010**

Coverages per Member Coverage Overview:	\$	199,852
Stop Loss Coverage:	\$	12,299
Member Loss Fund Deposit:	\$	50,000
<u>TOTAL ANNUAL CONTRIBUTIONS:</u>	\$	262,151

**E. List of Addenda**

1. Sewer Exclusion
2. Limited Liability Coverage for Terrorism
3. Limited Property Coverage for Terrorism
4. Stop Loss Program Participation Agreement

**Accepted by:**

**County of Manistee**

**MMRMA**

\_\_\_\_\_  
**Member Representative**

  
\_\_\_\_\_  
**MMRMA Representative**

\_\_\_\_\_  
**Date**

12-18-08  
\_\_\_\_\_  
**Date**



## ADDENDUM

### SEWAGE EXCLUSION

B-5

#### **This Addendum Modifies the Liability and Motor Vehicle Physical Damage Coverage Document**

##### A. Definitions

Section 4 of the Liability and Motor Vehicle Physical Damage Coverage Document is amended to include the following definition:

16. SEWAGE

means any human or animal bodily fluids or solids. Sewage also means any toxins or bacteria including, by way of illustration but not limitation, e coli. Sewage also means any microbes or viruses including, by way of illustration but not limitation, Hepatitis A or B, HIV, and other AIDS viruses. Sewage also means any pathogens, carcinogens, diseased or disease-carrying organism, spores, chemicals, fertilizers or any other elements of sewage including, by way of illustration but not limitation, combined sewage overflow, groundwater, rainwater, debris, sewer gases, vapors, odors, liquids, or solids. Sewage also means any sewage effluent of every kind, nature, and description, and/or any other gases, liquids, solids, or components of sewage which may be contained in solution, whether fully treated, partially treated, or untreated.

##### B. Exclusion

Section 2 of the Liability and Motor Vehicle Physical Damage Coverage Document is amended to include the following exclusion:

- T. the actual, alleged, or threatened discharge, dispersal, release, seepage, migration or escape of water, groundwater, rainwater, sewage, solids, liquids or waste:
- (a) at or from any real or personal property the Member owns, rents, or occupies;
  - (b) at or from any site or location used by or for the member, or others, for transporting, handling, storage, disposal, processing, or treatment;
  - (c) which at any time are transported, handled, stored, treated, disposed of or processed by or from the Member or any person or organization for whom the Member may be legally responsible;
  - (d) from sewers, drains, or sumps into, on or upon any person or property of any other party including, by way of illustration but not limitation, structures, buildings, residences, and basements.

**ADDENDUM**  
**Limited Liability Coverage for Terrorism**

B-6

**This Addendum Modifies the Liability and Motor Vehicle Physical Damage Coverage Document**

**A. Limited Liability Terrorism Coverage, Procedures, Exclusions.**


1. Limited Liability Coverage for Terrorism shall be a separate and distinct coverage from any other coverage provided to the Members by MMRMA.
2. The definitions in Section 4 of the Liability and Motor Vehicle Physical Damage Coverage Document shall apply to Limited Liability Coverage for Terrorism.
3. The Member Duties, Responsibilities, Other Conditions stated in Section 5 of the Liability and Motor Vehicle Physical Damage Coverage Document shall apply to Limited Liability Coverage for Terrorism.
4. The deductibles and retention for liability, if any, stated in the Coverage Overview shall apply to Limited Liability Coverage for Terrorism in the same manner as they apply to any other liability coverage. Terrorism is the only subject of coverage included in this Addendum.

**B. Definitions**

For the purposes of this Addendum, Terrorism shall mean an act, including but not limited to the use of force or violence and/or threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

**C. Limitations of Coverage**

1. MMRMA will pay for any loss as defined in Sections 1 and 2 of the Liability and Motor Vehicle Physical Damage Coverage Document, caused by terrorism, the actual loss up to a \$5,000,000 limit.
2. Terrorism payments are further limited by a \$5,000,000 terrorism aggregate loss limit. If covered losses by all Members exceed said aggregate loss limit, the most MMRMA will pay is the aggregate loss limit. The aggregate loss limit shall apply for all losses occurring in a July 1 - June 30 calendar year. Each Member will share in said aggregate loss limit in the same percentage that the Member's covered loss is of the total covered losses of all Members.
3. This coverage excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in any way connected with any of the following, regardless of any other cause or event contributing concurrently or in any sequence to the loss:

- 
- a. Any act of bio-terrorism; or
  - b. Any act of nuclear terrorism; or
  - c. Any act of chemical terrorism; or
  - d. Any act designed to release germs that cause epidemical disease.

For the purpose of this Addendum, an act of bio-terrorism, nuclear terrorism, chemical terrorism and/or designed to release germs that cause epidemical disease shall mean an act, including but not limited to the use of force or violence and/or the threat thereof, involving or resulting in the release of biological or chemical agents or nuclear materials or germs, by an person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), apparently committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This Addendum also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (a), (b), (c) and/or (d) above.

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## **ADDENDUM**

### **Exclusion of Certified Acts and Other Acts of Terrorism With Limited Property Terrorism Coverage**

#### **This Addendum Modifies the Property and Crime Coverage Document**

- A. Limited Property Terrorism Coverage and Procedures.
1. Limited Property Terrorism Coverage shall be a separate and distinct coverage from any other coverage provided to the Members by MMRMA. The provisions of this addendum shall be controlling.
  2. The definitions in Section 9 of the Property and Crime Coverage Document shall apply to Limited Property Terrorism Coverage.
  3. The Member's Duties, and Other Procedures Relating to a Property, Income or Extra Expense Claim stated in Section 6 of the Property and Crime Coverage Document shall apply to Limited Property Terrorism Coverage.
  4. The deductibles and retention for property and crime, if any, stated in the Coverage Overview shall apply to Limited Property Terrorism Coverage in the same manner as they apply to any other property coverage.
- B. Definitions
1. "Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the Federal Terrorism Risk Insurance Act of 2002. The criteria contained in that Act for a "certified act of terrorism" include the following:
    - a. The act resulted in aggregate losses in excess of \$5 million; and
    - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
  2. "Other Act of Terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure:

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- a. That is committed by an individual or individuals and appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion; and
- b. That is not certified as a terrorist act pursuant to the Federal Terrorism Risk Insurance Act of 2002.

C. Exclusion of Certified Acts and Other Acts of Terrorism

Except as provided under Section D of this Addendum, MMRMA will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism" or an "other act of terrorism". Such loss or damage is excluded regardless of any other cause of event that contributes concurrently or in any sequence to the loss.

D. Limited Property Terrorism Coverage and Exclusions

Limited Property Terrorism Coverage is extended to include direct physical loss or damage caused by or resulting from a "Certified Act of Terrorism" or an "Other Act of Terrorism," but only as described and limited in provisions 1. through 4. below:

1. This Limited Property Terrorism Coverage does not apply to any "Certified Act of Terrorism" or "Other Act of Terrorism" when one or both of the following are attributed to such act:
  - a. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
  - b. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.
2. The exclusion of "Certified Acts of Terrorism" and "other Acts of Terrorism" in Section C of this Addendum does not apply to this Limited Property terrorism Coverage. But all other exclusions and all limitations applicable to the Property and Crime Coverage Document, including but not limited to the War and Military Action exclusion and the Nuclear Hazard exclusion, apply to loss or damage under this Limited Property Terrorism Coverage.
3. Regardless of the number of locations, items or types of property or coverages involved, the most MMRMA will pay, per occurrence, under this Limited Property Terrorism Coverage for all loss or damage

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caused by or resulting from all incidents of "certified acts of terrorism" or "other acts of terrorism" is \$50,000,000. Multiple incidents of "certified acts of terrorism" and "other acts of terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one occurrence under this Limited Property Terrorism Coverage. This limit is part of, and does not increase the Limits of Coverage stated in the Coverage Overview.

ADDENDUM

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STOP LOSS PROGRAM  
PARTICIPATION AGREEMENT

Optional

The Stop Loss Program limits the Member's cash payments during a July 1 - June 30 year for those costs falling within the Member's SIR. The Stop Loss Program responds only to cumulative Member SIR payments, including damages, indemnification, and allocated loss adjustment expenses, within a July 1 - June 30 calendar year. The paid costs include payments for any coverage provided to the Member by MMRMA provided that the costs are actually paid within the July 1 - June 30 period. On July 1 of each year, the Member's paid costs accumulate from zero.

If the Member has chosen to participate in the Stop Loss Program, and if the Member's paid costs exceed the member's entry point, the Stop Loss Program will pay, until July 1, all costs that would, in the absence of the Stop Loss Program, be paid from the Member's SIR. **County of Manistee's** entry point is **\$171,000**. Withdrawing Members do not participate in the Stop Loss Program after the date of withdrawal.

The Member agrees to be bound by MMRMA rules relating to the Stop Loss Program.

Accepted by:

\_\_\_\_\_  
Member Representative

Date: \_\_\_\_\_

MMRMA

  
\_\_\_\_\_  
Authorized Representative

Date: 12-18-08

**FINANCING OUTLINE FOR THE PURCHASE OF JAIL SECURITY SYSTEM UPGRADE  
THROUGH SIMPLEX GRINNELL AND A 150 KW EMERGENCY GENERATOR  
12/23/08**

PRICE QUOTE FROM SIMPLEX GRINNELL FOR PURCHASE AND  
INSTALLATION OF A JAIL SECURITY SYSTEM UPGRADE =  
(Service agreements have been quoted by Simplex Grinnell  
for up to \$14,750 per year.)

\$220,780.00

1/13/08  
UPDATED  
RECOMMEN  
217,565

150 KW EMERGENCY GENERATOR COST ESTIMATE =  
(Purchase and installation) (Bids due 01/16/09 at 3:00 P.M.)

\$100,000.00

TOTAL PROJECT COST ESTIMATE =

~~\$320,780.00~~ <sup>#</sup>317,565

AVAILABLE FUNDING SOURCES:

1. Jail Building Bond Fund #362. These funds must be used  
for Jail improvements or returned to the taxpayers.  
Balance as of 09/30/08 (current balance) = \$66,513.52
2. Jail Expansion Fund #361. This fund is now used for  
earmarking funds for future jail expansion and/or  
improvements. The current balance is from revenues  
received from Wexford County for inmate housing. This  
revenue source no longer exists, and -0- was budgeted  
in 2008/09 as a transfer from the General Fund.  
Balance as of 09/30/08 (current balance) = \$104,672.07  
2008/09 budget amendment and transfer approved from  
General Fund "Jail Meal" line item to fund #361 = \$51,000.00
3. Capital Improvement Fund #251. This fund is available  
for all County Capital Improvement projects.  
Balance as of 09/30/08 = \$240,071.26  
2008/09 budgeted transfer from the General Fund = \$15,000.00
4. Department Contingency Surplus Fund #216 (Sheriff,  
Jail line items). These funds are available to the Sheriff  
for various projects and services. Surplus funds from  
previous General Fund budgets.  
Balance as of 09/30/08 (current balance) = \$69,728.00
5. 9-1-1/Central Dispatch funding commitment towards  
purchase and installation of the Generator (\$100,000 x 25%) = \$25,000.00
6. December 2008 Manistee Local Revenue Sharing Grant award = \$15,000.00
7. November 2008 Risk Avoidance Grant Award through MMRMA = \$5,000.00
8. MMRMA Asset Redistribution Program. These funds are distributed  
to MMRMA members on an annual basis resulting from  
MMRMA's financial condition, the members loss history and the  
members years with the MMRMA. The member has a choice



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of accepting the funds or having the funds deposited into the members loss fund. Manistee County's loss fund balance as of 09/30/08 is \$392,292.62 (additional \$50,000 will be added to this fund in 2009 as a portion of the County's annual premium). Because this balance is sufficient and because of this safety related project in the jail, it is recommended that the asset redistribution funds be used to offset the expenses of this project. =

~~\$51,000.00~~ 51,459

TOTAL FUNDS AVAILABLE =

~~\$642,984.85~~ 643,443.8

Although there is sufficient cash available to pay for this project, it would not be in the County's best interest to use all capital improvement reserves on one project. Therefore, the following recommendations are being provided to the Committee/Board:

A) 150 KW Generator Price Estimate = \$100,000.00

Funding Sources:

1.	9-1-1/Central Dispatch =	(\$25,000.00)
2.	Local Revenue Sharing Grant =	(\$15,000.00)
3.	MMRMA Asset Redistribution Program Funds =	<del>(\$51,000.00)</del> (51,459)
4.	Jail Building Bond Fund #362 =	<del>(\$9,000.00)</del> (8,541)

Amount recommended for short term financing = \$0.00

B) Jail Security System Upgrade Price = ~~\$220,780.00~~ 217,565

Funding Sources:

1.	MMRMA Risk Avoidance Program Grant =	(\$5,000)
2.	Jail Building Bond Fund #362 =	<del>(\$57,513.00)</del> 57,972
3.	Capital Improvement Fund #251 =	<del>(\$25,000.00)</del> 49,920
4.	Jail Expansion Fund #361 =	<del>(\$8,267.00)</del> 104,672

Amount recommended for short term financing = ~~\$125,000.00~~ 0.00

If the \$125,000 is financed on a lease basis through Simplex Grinnell, monthly payments would be as follows:

36 months = \$11,695.09 *mtly* = \$140,341.08 (\$15,341.08/7.31%)  
 48 months = \$9,115.36 *mtly* = \$145,845.76 (\$20,845.76/7.50%)  
 60 months = \$7,578.36 *mtly* = \$151,567.20 (\$26,267.20/7.64%)

The payments start 60 days from start of the project. Therefore, the payments in 2008/09 fiscal year will begin approximately May 1, 2009. The payments for this fiscal year could be paid from the Jail Expansion Fund #361. In fiscal year 2009/10, a budget transfer could be made from the General Fund to the Jail Expansion Fund, or the entire payment could be made from the balance in the fund depending on other projects (i.e.: kitchen, etc.). Leaving cash availability will give the County Board various options at budget time.

*Per Russ Pomeroy, CD rates are currently less than 2%.*

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Approximate fund balances after recommended project funding proposal listed above:

1.	Jail Building Bond Fund #362 =	\$0.00
2.	Jail Expansion Fund #361 =	<del>\$147,405.00</del> 51,000
3.	Capital Improvement Fund #251 =	<del>\$230,071.00</del> 205,150
4.	Department Contingency Surplus Fund (Sheriff/Jail Line Items) =	\$69,728.00
Total Post Project Fund Balance Estimate =		<del>\$447,204.00</del> 325,878

Cash Outlay for Project =	<del>\$99,780</del> 224,106
Grant Funding =	\$20,000
9-1-1/Central Dispatch Funding =	\$25,000
MMRMA Asset Redistribution =	<del>\$51,000</del> 51,459
Lease Financing =	<del>\$125,000</del> -0-
TOTAL =	<del>\$320,780</del> 317,565

# SimplexGrinnell

## Financial Services

January 9, 2009

### Manistee County

Getting the benefits of our advanced and reliable life safety systems is just part of the total SimplexGrinnell solution. SimplexGrinnell's financing offers project protection against a jeopardized budget. Cost can be spread out over several years with periodic payments.

#### Phase the Payment, Not Your Project

Leasing the SimplexGrinnell way:

- 100% Financing Solutions
- Competitive, Fixed Rate Financing
- Custom Designed Financing to Match Budgets
- Conserve Valuable Cash
- Extend Your Capital Budget
- Expand Your Credit Capacity
- Bundled Solutions - Maintenance Plans to Match Lease Terms

*CD rates less than 2%.*

#### Lease Quote:

Scenario 1: \$150,000

	<i>7.31%</i>	<i>7.50%</i>	<i>7.64%</i>
	<i>Int.</i>	<i>Int.</i>	<i>Int.</i>
	<i>18,409.20</i>	<i>25,014.88</i>	<i>31,880.60</i>
Lease Basis	\$220,780.00	\$220,780.00	\$220,780.00
Advance Payment	\$70,780.00	\$70,780.00	\$70,780.00
Lease Type	\$1	\$1	\$1
Lease Term	36 Months <i>(12)</i>	48 Months <i>(16)</i>	60 Months <i>(20)</i>
Periodic Payment	Quarterly	Quarterly	Quarterly
Lease Payment	\$14,034.10	\$10,938.43	\$9,094.03
	<i>168,409.20</i>	<i>175,014.88</i>	<i>181,880.60</i>

Scenario 2: \$125,000

	<i>Int.</i>	<i>Int.</i>	<i>Int.</i>
	<i>15,341.08</i>	<i>20,845.76</i>	<i>26,567.20</i>
Lease Basis	\$220,780.00	\$220,780.00	\$220,780.00
Advance Payment	\$95,780.00	\$95,780.00	\$95,780.00
Lease Type	\$1	\$1	\$1
Lease Term	36 Months	48 Months	60 Months <i>(20)</i>
Periodic Payment	Quarterly <i>(12)</i>	Quarterly <i>(16)</i>	Quarterly <i>(20)</i>
Lease Payment	\$11,695.09	\$9,115.36	\$7,578.36
	<i>140,341.08</i>	<i>145,845.76</i>	<i>151,567.20</i>

Scenario 3: \$100,000

	<i>Int.</i>	<i>Int.</i>	<i>Int.</i>
	<i>\$12,272.84</i>	<i>\$16,676.64</i>	<i>\$21,253.60</i>
Lease Basis	\$220,780.00	\$220,780.00	\$220,780.00
Advance Payment	\$120,780.00	\$120,780.00	\$120,780.00
Lease Type	\$1	\$1	\$1
Lease Term	36 Months	48 Months	60 Months
Periodic Payment	Quarterly <i>(12)</i>	Quarterly <i>(16)</i>	Quarterly <i>(20)</i>
Lease Payment	\$9,356.07	\$7,292.29	\$6,062.68

*\$112,272.84      \$116,676.64      \$121,253.60*